

LETTER TO STAKEHOLDERS

Overview of Business Performance

During the current consolidated fiscal year, the Japanese economy continued to show signs of moderate recovery amid improvements in the employment and income environment. However, the outlook remains uncertain due to factors such as persistent inflation, the risk of an economic downturn stemming from U.S. trade policies, soaring raw material and energy prices caused by heightened geopolitical risks in the Middle East, and volatility in financial and capital markets.

In light of the prolonged instability and volatility risks in the global economic environment, the Group continues to develop high-quality, price-competitive products while promoting activities to develop new customers and applications in order to maintain and improve earnings.

As a result, the Group's performance for the current consolidated fiscal year was as follows: net sales of ¥41,069 million (down 4.8% YoY), operating profit of ¥8,160 million (down 12.1% YoY), ordinary income of ¥10,815 million (up 11.8% YoY), and net income attributable to owners of the parent of ¥8,037 million (up 17.7% YoY).

The ratio of operating profit to net sales decreased 1.6 percentage points from the previous fiscal year to 19.9%.

The ratio of ordinary income to total assets increased 0.3 percentage points from the previous fiscal year to 10.8%. The primary reason for the increase in ordinary income was a rise in non-operating income.

The return on equity increased 0.6 percentage points from the previous fiscal year to 9.5%.

As a result, net income per share was ¥2,770.53.

Overview of Performance by Business Segment

Japan Segment

Segment sales decreased to ¥38,761 million (down 4.1% YoY), and

segment profit (operating profit) decreased to ¥7,970 million (down 11.6% YoY).

In the field of anionic surfactants, overseas sales were generally sluggish. In the domestic textile market, production of uniforms—which had been performing well—leveled off, and sales to the automotive industry also declined in some areas, resulting in a slight year-over-year decrease. As a result, sales to external customers totaled ¥3,572 million (down 4.5% YoY).

In the field of non-ionic surfactants, overseas sales were generally sluggish. In the domestic textile sector, the market showed an overall downward trend due in part to users' restructuring of their production systems, and sales for toiletries also remained sluggish. As a result, sales to external customers totaled ¥22,840 million (down 4.9% YoY).

In the field of cationic and amphoteric surfactants, sales remained steady in the domestic textile and household detergent sectors, as well as in overseas markets. As a result, sales to external customers totaled ¥874 million (up 7.5% YoY).

In the field of high polymer and inorganic products, etc., overseas sales were generally sluggish. Domestic sales for the textile sector also fell below the previous year's level due to the closure of some customers' operations and a slump in apparel applications. Furthermore, in the non-textile industrial sector, sales remained sluggish in areas such as automotive parts and cosmetics, resulting in sales below the same period as the previous year. As a result, sales to external customers were ¥11,474 million (down 3.3% YoY).

Asia Segment

Net sales to external customers for the fiscal year were ¥2,307 million (down 14.8% YoY), and segment profit (operating profit) was ¥196 million (down 32.3% YoY).

In the field of anionic surfactants, while sales of finishing agents remained sluggish due to the downturn in the textile market, orders for finishing agents for export increased, resulting in net sales to external customers of ¥11 million (up 77.6% YoY).

In the field of nonionic surfactants, although orders for those fabrics destined for the Middle East remained steady, sales to external customers

totaled ¥427 million (down 21.1% YoY), partly due to the suspension of orders for certain textile oil agents by a customer in Indonesia affected by flooding.

In the field of cationic and amphoteric surfactants segment, sales to external customers totaled ¥1 million (down 74.5% YoY) due to sluggish sales of fabric softeners caused by the downturn in the textile market.

In the field of high polymer and inorganic products, etc., customers' business performance remained sluggish due to the ongoing global downturn in the apparel industry, and sales to external customers totaled ¥1,866 million (down 13.4% YoY).

A Message from the Management

We focus on R & D, with 30% of our employees in the R & D division, supplying users in a variety of industries, especially the textile industry, with a wide range of products essential for improving quality and productivity. Our goal is to become a stronger, more profitable company that can respond to the global economy.

We have established its current position by continuing to develop unique technologies not only in the surfactant field but also in the polymer field. Our customer base spans a wide range of fields, and we are confident that by accurately grasping customer needs, we will be able to significantly expand our accumulated technological capabilities. In other words, we are deepening and expanding the chain of development from the development of oil for fibers to Polymer Matsumoto Microsphere, oil for DI cans of metal processing oil, and magnetic fluid.

The global economic environment is expected to remain unpredictable due to instability and prolonged risk of volatility.

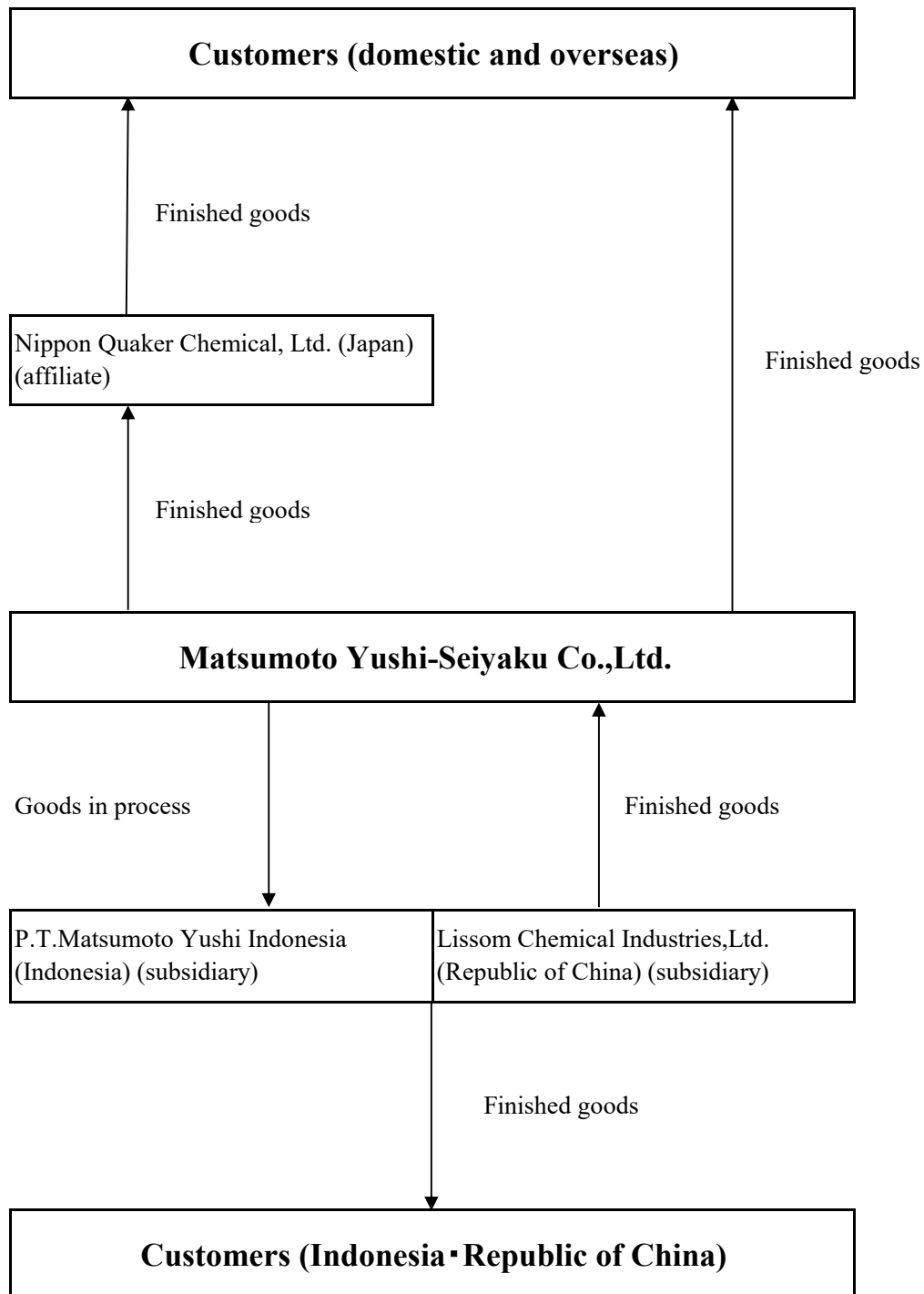
Under these circumstances, we will continue its efforts to strengthen our management foundation. In response to fluctuations in global demand in the textile and automotive industries, we will flexibly adjust production volumes, develop competitive new products, expand sales channels, maintain a stable product supply system, and rationalize our operations.

In addition, we have been working to strengthen our production facilities over the past few years, and we will continue to make effective use of these facilities.

In R&D, we are developing new materials and higher value-added applications, and we intend to continue to operate our business flexibly by putting the right people in the right jobs to respond to changing social conditions.

Sincerely,
NAOKI KIMURA
President and CEO

Holding Company Configuration and Highlights of Business



CORPORATE GOVERNANCE

We are working to achieve a highly transparent and sound system of corporate governance that enables us to realize stable and continuous improvement of enterprise value.

In addition to the regular monthly meetings of the board of directors, extraordinary meetings are held as necessary to make timely decisions. Directors, statutory auditors, and the chiefs of the department have a joint meeting once a week. They ensure legal compliance and the legitimate execution of business. The term of office of directors is one year to respond to the rapidly changing business environment.

We adopt a board of statutory auditor system. The board consists of three auditors, one of whom is a full-time auditor. They also attend the director meetings and join other significant discussions to observe the appropriateness of managerial business execution.

As for internal auditing, the Internal Auditing Department is working on the promotion and improvement of internal control and maintaining close coordination with the Board of Statutory Auditors and Accounting Auditor.

MATSUMOTO YUSHI-SEIYAKU CO., LTD. AND A SUBSIDIARY**Selected Financial Data****Years ended March 31**

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Results for the year (millions of Yen):					
Net Sales	41,069	43,131	41,526	39,628	37,248
Cost of sales	28,675	29,441	28,569	27,613	27,439
Gross profit	12,394	13,691	12,958	12,015	9,809
Selling, general and administrative expenses	4,233	4,409	4,199	4,238	4,051
Operating income	8,161	9,282	8,759	7,777	5,759
Other income(expenses)	3,282	459	1,974	2,267	2,017
Income before income taxes and non-controlling interests	11,443	9,741	10,733	10,044	7,776
Income taxes					
current	3,357	2,799	3,110	2,782	2,319
deferred	(24)	(1)	(5)	1	(41)
Net income	8,110	6,943	7,628	7,262	5,498
Net income attributable to :					
non controlling interests in subsidiary owners of parent	(72) 8,038	(112) 6,830	(124) 7,505	(15) 7,247	(6) 5,492
Acquisition of property, plant and equipment	382	1,181	1,064	435	462
Depreciation and amortization	1,015	1,059	963	935	929
Per share of common stock(Yen):					
Net income attributable to owners of parent	2,770.53	2,354.19	2,586.38	2,259.37	1,697.19
Cash dividends	450.00	400.00	400.00	350.00	350.00
Year-end financial position(millions of Yen):					
Total current assets	72,715	66,121	66,439	61,787	60,277
Total property, plant and equipment	6,710	7,388	7,852	7,160	6,153
Total investments and other assets	26,492	21,680	15,222	10,242	9,777
Total current liabilities	10,899	11,018	11,498	10,923	11,405
Total long-term liabilities	3,751	2,804	2,677	1,797	1,409
Non-controlling interests	2,035	1,963	1,979	1,777	155
Foreign currency translation adjustments	61	28	(83)	(195)	(47)
Total net assets	91,267	81,367	75,338	66,470	63,393
Other year-end data:					
Number of shares issued(thousands)	4,513	4,513	4,513	4,513	4,513
Number of shareholders	830	807	782	764	774

MATSUMOTO YUSHI-SEIYAKU CO.,LTD. AND A SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026 and 2025

	Millions of yen		Thousands of U.S.dollars (Note 1)	
	2026	2025	2026	2025
ASSETS				
Current assets:				
Cash and cash equivalents(Note 5)	¥ 56,126	¥ 49,831	\$ 352,993	\$ 313,400
Short-term investments (Note 5,6)	510	510	3,208	3,208
Notes and accounts receivable(Note 5):				
Trade	7,806	7,072	49,093	44,475
Associates	1,999	2,244	12,570	14,115
Other	131	65	823	412
Electronically recorded monetary claims(Note 5):	377	373	2,372	2,343
Allowance for doubtful accounts	(5)	(8)	(34)	(51)
	10,307	9,746	64,824	61,294
Inventories (Note 7)	5,701	5,901	35,856	37,114
Other current assets	71	134	445	842
Total current assets	72,715	66,121	457,326	415,857
Property, plant and equipment(Note 9) :				
Land	1,649	1,639	10,369	10,311
Buildings and structures	9,370	9,374	58,929	58,956
Machinery and equipment	18,781	18,516	118,116	116,455
Construction in progress	48	36	300	228
	29,846	29,566	187,714	185,949
Accumulated depreciation	(23,136)	(22,178)	(145,511)	(139,481)
Total property, plant and equipment	6,710	7,388	42,203	46,467
Investments and other assets:				
Investments in affiliates(Note 8)	968	914	6,087	5,751
Investments in securities (Note 5,6)	24,497	19,793	154,068	124,487
Long-term loans(Note 5)	287	252	1,805	1,586
Deferred income taxes(Note 14)	7	7	45	47
Other	738	716	4,639	4,506
Allowance for doubtful accounts	(5)	(4)	(30)	(26)
Total investments and other assets	26,492	21,680	166,615	136,351
Total assets	¥ 105,917	¥ 95,189	\$ 666,144	\$ 598,675

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2026	2025	2026	2025
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable(Note 5):				
Trade	¥ 6,474	¥ 7,313	\$ 40,714	\$ 45,995
Associates	794	932	4,992	5,860
Other	1,011	1,077	6,358	6,774
Accrued income taxes	1,989	1,284	12,509	8,074
Accrued bonuses to employees	343	334	2,160	2,104
Other current liabilities	288	78	1,814	490
Total current liabilities	10,899	11,018	68,548	69,296
Long-term liabilities				
Retirement benefit liability(Note 10)	624	1,007	3,924	6,335
Asset retirement obligations(Note 19)	121	120	761	758
Deferred income taxes (Note 14)	2,922	1,597	18,375	10,047
Other liabilities	84	79	529	498
Total long-term liabilities	3,751	2,804	23,589	17,637
Total liabilities	14,650	13,822	92,137	86,933
Net assets:				
Shareholders' equity				
Common stock				
Authorized 16,000,000 shares				
Issued 2026- 4,512,651 shares (Note 11)	6,090	6,090	38,302	38,302
Capital surplus	6,612	6,612	41,587	41,587
Retained earnings	81,201	74,323	510,697	467,442
Less, treasury stock, at cost: (Note 11)	(12,136)	(12,134)	(76,327)	(76,312)
Total Shareholders' equity	81,767	74,892	514,258	471,019
Accumulated other comprehensive income				
Unrealized gain (loss) on available-for-sale securities	7,147	4,479	44,948	28,172
Foreign currency translation adjustments	61	28	385	174
Remeasurements of defined benefit plans	257	5	1,615	31
Total accumulated other comprehensive income	7,465	4,512	46,947	28,376
Non-controlling interests	2,035	1,963	12,801	12,347
Total net assets	91,267	81,367	574,006	511,742
Total liabilities and net assets	¥ 105,917	¥ 95,189	\$ 666,144	\$ 598,675

The accompanying notes are an integral part of these statements.

MATSUMOTO YUSHI-SEIYAKU CO.,LTD AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED MARCH 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2026	2025	2026	2025
Net sales(Note 16,17,21)	¥ 41,069	¥ 43,131	\$ 258,296	\$ 271,266
Cost of sales(Note 16,17)	28,675	29,441	180,348	185,162
Gross profit	12,394	13,691	77,948	86,104
Selling, general and administrative expenses (Note 12,13)	4,233	4,409	26,622	27,729
Operating income	8,161	9,282	51,326	58,376
Other income (expenses):				
Interest and dividend income	811	467	5,100	2,937
Interest expenses	(0)	(0)	(1)	(1)
Investment profit (Loss) on equity method	160	148	1,009	932
Foreign exchange profit (Loss)	1,226	(394)	7,711	(2,479)
Gain (Loss) on sale of investment securities	675	51	4,245	323
Gain (Loss) on redemption of investment securities	(42)	(33)	(264)	(207)
Other, net	452	220	2,841	1,382
Income before income taxes and non-controlling interests	11,443	9,741	71,967	61,262
Income taxes (Note 14):				
Current	3,357	2,799	21,114	17,607
Deferred	(24)	(1)	(151)	(9)
	3,333	2,798	20,963	17,598
Net income	8,110	6,943	51,003	43,664
Net income attributable to :				
Non-controlling interests in subsidiary	(72)	(112)	(450)	(707)
Owners of parent	¥ 8,038	¥ 6,830	\$ 50,553	\$ 42,958

	Yen		U.S. dollars (Note 1)	
	2026	2025	2026	2025
Net income per share:				
Basic(Note 18)	¥ 2,770.53	¥ 2,354.19	\$ 17.425	\$ 14.806
Cash dividends per share(Note 11)	450.00	400.00	2.830	2.516

The accompanying notes are an integral part of these statements.

MATSUMOTO YUSHI-SEIYAKU CO.,LTD AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED MARCH 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2026	2025	2026	2025
Income before income taxes and non-controlling interests	¥ 8,110	¥ 6,943	\$ 51,003	\$ 43,664
Other comprehensive income(Note 15):				
Unrealized gains (losses) on available-for-sale securities	2,668	177	16,777	1,115
Foreign currency translation adjustments	66	180	413	1,130
Remeasurement of defined benefit plans	262	(0)	1,646	(1)
Share of other comprehensive income of associates accounted for using equity method	(10)	(2)	(61)	(15)
Total other comprehensive income (loss)	2,985	354	18,775	2,228
Comprehensive income	¥ 11,095	¥ 7,297	\$ 69,778	\$ 45,893
Comprehensive income attributable to:				
Owners of the parent company	10,991	7,115	69,126	44,750
Minority interests	104	182	652	1,142

MATSUMOTO YUSHI-SEIYAKU CO.,LTD
AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED MARCH 31, 2026 and 2025

	Millions of yen											
	Shareholders' equity						Accumulated other comprehensive income					
	Number of shares issued (thousands)	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity	Unrealized gain (loss) on other securities	Foreign currency translation adjustments	Remeasur- ements of defined benefit plans	Total Accumulated other comprehensive income	Non- controlling interests	Total net assets
Balance at March 31, 2024	4,513	6,090	6,518	68,654	(12,131)	69,131	4,302	(83)	8	4,227	1,979	75,338
Cash dividends				(1,161)		(1,161)						(1,161)
Net income attributable to owners of parent				6,830		6,830						6,830
Purchase of treasury stock					(3)	(3)						(3)
Purchase of shares of consolidated subsidiaries			94			94						94
Net change of items other than shareholders' equity							177	110	(3)	285	(16)	269
Balance at March 31, 2025	4,513	¥ 6,090	¥ 6,612	¥ 74,323	¥ (12,134)	¥ 74,892	¥ 4,479	¥ 28	¥ 5	¥ 4,512	¥ 1,963	¥ 81,367
Cash dividends				(1,161)		(1,161)						(1,161)
Net income attributable to owners of parent				8,038		8,038						8,038
Purchase of treasury stock					(2)	(2)						(2)
Net change of items other than shareholders' equity							2,667	34	252	2,953	72	3,025
Balance at March 31, 2026	4,513	¥ 6,090	¥ 6,612	¥ 81,201	¥ (12,136)	¥ 81,767	¥ 7,147	¥ 61	¥ 257	¥ 7,465	¥ 2,035	¥ 91,267

	Thousands of U.S. dollars (Note 1)											
	Shareholders' equity						Accumulated other comprehensive income					
	Number of shares issued (thousands)	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity	Unrealized gain (loss) on other securities	Foreign currency translation adjustments	Remeasur- ements of defined benefit plans	Total Accumulated other comprehensive income	Non- controlling interests	Total net assets
Balance at March 31, 2024	4,513	\$ 38,302	\$ 40,995	\$ 431,784	\$ (76,294)	\$ 434,788	\$ 27,057	\$ (520)	49	\$ 26,585	\$ 12,449	\$ 473,822
Cash dividends				(7,299)		(7,299)						(7,299)
Net income attributable to owners of parent				42,958		42,958						42,958
Purchase of treasury stock					(19)	(19)						(19)
Purchase of shares of consolidated subsidiaries												
Net change of items other than shareholders' equity							1,115	694	(18)	1,791	(102)	1,689
Balance at March 31, 2025	4,513	\$ 38,302	\$ 41,587	\$ 467,442	\$ (76,312)	\$ 471,019	\$ 28,172	\$ 174	\$ 31	\$ 28,376	\$ 12,347	\$ 511,742
Cash dividends				(7,299)		(7,299)						(7,299)
Net income attributable to owners of parent				50,553		50,553						50,553
Purchase of treasury stock					(15)	(15)						(15)
Purchase of shares of consolidated subsidiaries												
Net change of items other than shareholders' equity							16,776	211	1,584	18,571	454	19,025
Balance at March 31, 2026	4,513	\$ 38,302	\$ 41,587	\$ 510,697	\$ (76,327)	\$ 514,258	\$ 44,948	\$ 385	\$ 1,615	\$ 46,947	\$ 12,801	\$ 574,006

The accompanying notes are an integral part of these statements.

MATSUMOTO YUSHI-SEIYAKU CO.,LTD AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2026	2025	2026	2025
Cash flows from operating activities:				
Net income	¥ 11,443	¥ 9,741	\$ 71,967	\$ 61,262
Adjustments for:				
Depreciation and amortization	1,015	1,059	6,384	6,661
Loss (gain) on sales and disposal of property,	6	(79)	35	(499)
Loss (gain) on sale of investment securities	42	33	264	207
Loss (gain) on sale of investment securities	(675)	(51)	(4,245)	(323)
Allowance for doubtful accounts	(2)	(15)	(13)	(97)
Investment (profit) loss on equity method	(160)	(148)	(1,009)	(932)
Increase (decrease) in retirement benefit liability	(1)	(18)	(5)	(112)
Increase (decrease) in provision for bonuses	9	5	56	32
Interest and dividend income	(811)	(467)	(5,100)	(2,937)
Interest expenses	0	0	1	1
Foreign exchange (profit) loss	(1,135)	306	(7,139)	1,926
Decrease (Increase) in notes and accounts receivable	(518)	231	(3,257)	1,452
Decrease (Increase) in inventories	198	(496)	1,245	(3,120)
Increase (Decrease) in accounts payable	(976)	1,031	(6,141)	6,483
Increase (Decrease) in accrued consumption tax	33	(108)	209	(679)
Other, net	(25)	(560)	(157)	(3,519)
Sub total	8,442	10,463	53,096	65,805
Interest and dividend income received	889	557	5,588	3,502
Interest expenses paid	(0)	(0)	(1)	(1)
Income taxes paid	(2,672)	(3,252)	(16,805)	(20,452)
Net cash provided by operating activities	6,659	7,768	41,878	48,854
Cash flows from investing activities:				
Repayment of maturity of time deposits	(1,020)	(1,020)	(6,415)	(6,415)
Proceeds from maturity of time deposits	1,020	1,020	6,415	6,415
Receipt from redemption of investment securities	275	172	1,729	1,084
Proceeds from sale of investment securities	2,086	914	13,121	5,746
Payments for purchase of property, plant and equipment	(382)	(1,181)	(2,401)	(7,430)
Payments for purchase of securities	(5,000)	(1,999)	(31,447)	(12,570)
Payments for purchase of investments in securities	(2,317)	(7,067)	(14,570)	(44,448)
Other, net	(13)	106	(84)	668
Net cash provided by (used in) investing activities	(5,350)	(9,055)	(33,650)	(56,950)
Cash flows from financing activities:				
Cash dividends paid	(1,133)	(1,134)	(7,128)	(7,131)
Cash dividends paid to non-controlling shareholders	(31)	(17)	(196)	(105)
Purchase of treasury stock	(2)	(3)	(15)	(19)
Repayments of lease obligations	(2)	(2)	(13)	(13)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(87)	—	(547)
Net cash used in financing activities	(1,169)	(1,243)	(7,352)	(7,815)
Effect of exchange rate changes on cash and cash equivalents	1,155	(187)	7,262	(1,179)
Net increase (decrease) in cash and cash equivalents	1,294	(2,717)	8,138	(17,089)
Cash and cash equivalents at beginning of year	32,832	35,549	206,491	223,580
Cash and cash equivalents at end of year (Note 5)	¥ 34,126	¥ 32,832	\$ 214,629	\$ 206,491

The accompanying notes are an integral part of these statements.

MATSUMOTO YUSHI-SEIYAKU CO.,LTD. AND SUBSIDIARIES

Notes to Financial Statements

Years Ended March 31, 2026 and 2025

Basis of Presenting Consolidated Financial Statements

Matsumoto Yushi-Seiyaku Co.,Ltd.(the "Company") maintains its accounts and records in accordance with the provisions set forth in the Company Code of Japan (the "Code") and the Financial Instruments and Exchange Act and in conformity with accounting principles and practices generally accepted in Japan, which are different from the accounting and disclosure requirements of International Accounting Standards.

The Company's overseas subsidiaries maintain their accounts and records in conformity with generally accepted accounting principles and practices prevailing in their countries of domicile.

The accompanying consolidated financial statements are prepared based on the consolidated financial statements of the Company and its subsidiaries (the "Group") which were filed with the Director of Kanto Local Finance Bureau as required by the Financial Instruments and Exchange Act.

In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of the reader, using the approximate exchange rate at March 31, 2026, which was ¥159 to U.S.\$1.00. These translations for convenience should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

1. Matters Concerning Scope of Consolidation and Application of Equity Method

•The Number of Consolidated Subsidiaries: 2 companies

P.T.Matsumoto Yushi Indonesia
Lissom Chemical Industry,Ltd.

•The Number of Affiliated Companies Accounted for Using The Equity Method:1company

Nippon Quaker Chemical.Ltd

2. Summary of Significant Accounting Policies

(1) Matters Concerning The Fiscal Year of Consolidated Subsidiaries

The balance sheet date of P.T. Matsumoto Yushi Indonesia and Lissom Chemical Industry. Ltd. is December 31. Their financial statements as of December 31 are used in preparation of the consolidated financial statements. Significant transactions, if any, in the period from January 1 to March 31, have been adjusted in the consolidated financial statements.

(2)Short-term Investments and Investments in Securities

In accordance with the Financial Instruments and Exchange Act, securities should be classified into four categories: trading securities, held-to-maturities securities, equity investments in an affiliate and other securities. Equity and debt securities are classified as other securities.

- Debt securities intended to be held to maturity: The amortized cost method using the straight-line method.
- Available-for-sale securities

Other than equity securities without marketable prices: The fair value method based on the market prices as of the balance sheets date.
(Unrealized gains on available-for-sale securities are included directly in the net assets and costs of selling available-for-sale securities is calculated by the total-average method)

Equity securities without market prices: The cost method using the total-average method.

(3)Inventories

Finished products, work in process, purchased merchandise and raw materials are stated at cost determined (net realized value method) by the weighted average method. Supplies and containers are stated at the most recent purchase prices.

(4)Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment are as follows:

Buildings	i Buildings acquired before March 31, 1998 Declining-balance method.
	ii Buildings acquired after April 1, 1998 Straight-line method.
Structures	i Structures acquired before March 31, 2016 Declining-balance method.
	ii Structures acquired after April 1, 2016 Straight-line method.
Machinery and Equipment	Declining-balance method.
Leased Assets	Straight-line method over the lease period assuming no residual value.

(5)Intangible Assets

Amortization of intangible assets is computed by the straight-line method.

(6)Accounting standards for significant allowances

- Allowance for doubtful accounts

Allowance for doubtful accounts is provided to reserve probable losses from bad debt. It consists of the estimated uncollectible amount of certain identified doubtful receivable and the amount estimated on the basis of the past default ratio for normal receivables.

- Accrued Bonuses to Employees

As a general practice in Japan, bonuses are normally payable to employees in early summer and early winter covering the first and second half of the year, respectively. The Company records such accrued bonus liabilities at March 31.

(7)Accrued Severance Indemnities

Accrued severance indemnities are provided based on the amount of projected benefit obligation reduced by pension plan assets at fair value at the end of the period.

Employees' retirement benefits, covering employees of the Company, are provided through unfunded lump-sum benefit plans and funded noncontributory pension plans. Under the plans, eligible employees are entitled, under most circumstances, to severance payments based on compensation at the time of severance and year of service.

Actuarial losses will be amortized over five years beginning with the next year and past service cost will be expensed in the fiscal year collectively.

(8)Standards for Recognizing Revenues and Expenses

①Description of the performance obligations in the main business

The Group sells products related to the two divisions in the surfactant division and the polymer and inorganic products division.

②The normal point in time at which the entity fulfils the performance obligation (The normal point in time at which revenue is recognized)

Revenue from sales of products is recognized at the time of delivery of the products because the customer has gained control over the products and the performance obligations are satisfied at the time of delivery of the products. However, for domestic sales of goods or products, revenue is recognized at the time of shipment if the period between the time of shipment and the time when control of the goods or products is transferred to the customer is a normal period.

(9)Translation of Foreign Currencies

Foreign currency receivables and payables are translated into Japanese yen at the exchange rates in effect on the balance sheet date, and translation gains or losses are charged to income in the year incurred.

Assets, liabilities, revenue and expenses of overseas subsidiary are translated into Japanese yen at the exchange rates in effect on balance sheet date and shareholders' equity is translated into Japanese yen at historical rates. Differences arising from translation are presented as "Foreign currency translation adjustments" in the accompanying consolidated balance sheets.

(10)Consolidated Statement of Cash Flows

For the purposes of cash flow statements, cash and cash equivalents comprise cash on hand, deposits held at call with banks, net of overdrafts and all highly liquid investments with maturities of three months or less.

3. Significant Accounting Estimates

Items whose amounts have been recorded in the consolidated financial statements for the current consolidated fiscal year based on accounting estimates that may have a material impact on the consolidated financial statements for the following consolidated fiscal year are as follows:

•Investment securities (unlisted stocks)

(1)Amounts in the Consolidated Statements

	Millions of Yen		Thousands of U.S dollars
	2026	2025	2026
Investment securities (unlisted stocks)	4,541	4,451	28,562

In the event that the real value of unlisted shares, whose market value is deemed extremely difficult to ascertain, declines significantly due to deterioration in the financial condition of the investee, it is determined whether to devalue the value following an assessment of the possibility of recovery,

If the performance of the investee declines significantly in the future and the appraised value of the investment securities is devalued, it may have a material impact on the business performance of our group in the following fiscal year and thereafter.

5. Financial Instruments

(1) Circumstances on financial instruments

(a) Policy for financial instruments

The Company and its consolidated subsidiaries manage the temporary surplus funds by deposit and securities with banks that have a high level of safety. The Company and its consolidated subsidiaries raise funds for business operation with short-term bank loans.

(b) Details and risk of financial instruments and its risk management

Receivables such as notes and accounts receivable are exposed to customer's credit risk.

Receivables denominated in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates.

In order to reduce to the customer's credit risk, the Company monitors the dues and balances by customer.

Short-term investments and investments in securities are exposed to market fluctuation risk, but mainly consist of equity of the companies which conduct business with the Company. The Company periodically monitors the fair value of the security and the financial condition of the issuer.

Payables such as accounts payable are due within 6 months.

Payables denominated in foreign currency are exposed to the risk of fluctuation in foreign currency exchange rates.

(c) Supplemental information on fair values of financial instruments

Fair values of financial instruments include values based on market price and reasonably estimated values when market price is not available. Because variable factors are counted in the estimation, the estimated values may vary by adopting different assumptions.

(2) Fair value of financial instruments

Financial instruments at March 31, 2026 and 2025 consisted of the following:

millions of yen			
2026			
	Book Value	Fair Value	Differences
Cash and cash equivalents	¥ 56,126	¥ 56,125	¥ (1)
Notes and accounts receivable	9,935	9,935	-
Electronically recorded monetary clims	377	377	-
Short-term investments and investments in securities	25,007	25,007	-
Total assets	¥ 91,445	¥ 91,444	¥ (1)
Accounts payable	8,278	8,278	-
Total liabilities	¥ 8,278	¥ 8,278	¥ -
millions of yen			
2025			
	Book Value	Fair Value	Differences
Cash and cash equivalents	¥ 49,831	¥ 49,829	¥ (2)
Notes and accounts receivable	9,381	9,381	-
Electronically recorded monetary clims	373	373	-
Short-term investments and investments in securities	20,303	20,303	-
Total assets	¥ 79,888	¥ 79,886	¥ (2)
Accounts payable	9,322	9,322	-
Total liabilities	¥ 9,322	¥ 9,322	¥ -

	thousands of U.S.dollars(Note 1)		
	2026		
	Book Value	Fair Value	Differences
Cash and cash equivalents	\$ 352,993	\$ 352,985	\$ (8)
Notes and accounts receivable	62,486	62,486	-
Electonically recorded monetary clims	2,372	2,372	-
Short-term investments and investments in securities	157,275	157,275	-
Total assets	<u>\$ 575,126</u>	<u>\$ 575,118</u>	<u>\$ (8)</u>
Accounts payable	52,065	52,065	-
Total liabilities	<u>\$ 52,065</u>	<u>\$ 52,065</u>	<u>\$ -</u>

Repayment schedule of, cash and cash equivalents, notes and accounts receivable, short-term investments and investments in securities, long-term loans.

	millions of yen			
	2026			
	Within one year	Over one year within five years	Over five years within ten years	Over ten years
Cash and cash equivalents	¥ 56,124	¥ -	¥ -	¥ -
Notes and accounts receivable	9,935	-	-	-
Electonically recorded monetary clims	377	-	-	-
Short-term investments and investments in securities	510	4,990	245	-
Total assets	<u>¥ 66,946</u>	<u>¥ 4,990</u>	<u>¥ 245</u>	<u>¥ -</u>

	millions of yen			
	2025			
	Within one year	Over one year within five years	Over five years within ten years	Over ten years
Cash and cash equivalents	¥ 49,829	¥ -	¥ -	¥ -
Notes and accounts receivable	9,381	-	-	-
Electonically recorded monetary clims	373	-	-	-
Short-term investments and investments in securities	510	4,554	111	-
Total assets	<u>¥ 60,093</u>	<u>¥ 4,554</u>	<u>¥ 111</u>	<u>¥ -</u>

	thousands of U.S.dollars(Note 1)			
	2026			
	Within one year	Over one year within five years	Over five years within ten years	Over ten years
Cash and cash equivalents	\$ 352,982	\$ -	\$ -	\$ -
Notes and accounts receivable	62,486	-	-	-
Electonically recorded monetary clims	2,372	-	-	-
Short-term investments and investments in securities	3,208	31,383	1,542	-
Total assets	<u>\$ 421,048</u>	<u>\$ 31,383</u>	<u>\$ 1,542</u>	<u>\$ -</u>

(3)Fair value information of financial instruments by level of inputs

Based on the observability and the significance of the inputs used to determine fair values, fair value information of financial instruments is presented by categorizing measurements into the following three levels:

Level 1 fair value: the fair value measured by quoted prices of identical assets or liabilities in active markets.

Level 2 fair value: the fair value measured using directly or indirectly observable inputs other than Level 1.

Level 3 fair value: fair values measured using unobservable inputs.

Financial assets and financial liabilities measured at fair value in the consolidated balance sheet

Millions of yen				
2026				
Fair value				
Types of shares	Level 1	Level 2	Level 3	Total
Investments in securities				
Other securities				
Shares	¥ 14,111	¥ -	¥ -	¥ 14,111
Bonds	-	4,901	-	4,901
Investment trust	-	700	-	700
Total assets	¥ 14,111	¥ 5,601	¥ -	¥ 19,712

Millions of yen				
2025				
Fair value				
Types of shares	Level 1	Level 2	Level 3	Total
Investments in securities				
Other securities				
Shares	¥ 9,305	¥ -	¥ -	¥ 9,305
Bonds	-	4,488	-	4,488
Investment trust	-	1,439	-	1,439
Total assets	¥ 9,305	¥ 5,927	¥ -	¥ 15,232

Thousands of U.S.dollars(Note 1)				
2026				
Fair value				
Types of shares	Level 1	Level 2	Level 3	Total
Investments in securities				
Other securities				
Shares	\$ 88,749	\$ -	\$ -	\$ 88,749
Bonds	-	30,826	-	30,826
Investment trust	-	4,402	-	4,402
Total assets	\$ 88,749	\$ 35,228	\$ -	\$ 123,977

The fair values of investment trusts are not included in the above.

(Note) Valuation techniques and inputs used in measuring fair value

Investments in securities

Listed securities are measured using quoted prices. Fair value of listed securities are classified as Level 1, because they are traded in active markets.

6. Short-term Investments and Investments in Securities

Short-term investments at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Bonds and debentures	¥ -	¥ -	\$ -
Time deposits	510	510	3,208
Other	-	-	-
	<u>¥ 510</u>	<u>¥ 510</u>	<u>\$ 3,208</u>

The following is a summary of investments in securities at March 31, 2026 and 2025 respectively:

	Millions of yen			
	March 31, 2026			
	Other securities			
	Cost	Gross unrealized gains	Gross unrealized losses	Book Value (Estimated fair value)
Equity securities	¥ 4,123	¥ 9,989	¥ 0	¥ 14,111
Bonds	4,581	321	-	4,901
Other	636	77	(15)	698
	<u>¥ 9,339</u>	<u>¥ 10,387</u>	<u>¥ (15)</u>	<u>¥ 19,710</u>
Add: Securities without readily determinable fair value				4,786
				<u>¥ 24,497</u>

	Millions of yen			
	March 31, 2025			
	Other securities			
	Cost	Gross unrealized gains	Gross unrealized losses	Book Value (Estimated fair value)
Equity securities	¥ 3,473	¥ 5,864	¥ (32)	¥ 9,305
Bonds	4,416	80	(8)	4,488
Other	776	686	(25)	1,437
	<u>¥ 8,665</u>	<u>¥ 6,631</u>	<u>¥ (65)</u>	<u>¥ 15,231</u>
Add: Securities without readily determinable fair value				4,563
				<u>¥ 19,793</u>

	Thousands of U.S.dollars(Note 1)			
	March 31, 2026			
	Other securities			
	Cost	Gross unrealized gains	Gross unrealized losses	Book Value (Estimated fair value)
Equity securities	\$ 25,929	\$ 62,822	\$ (2)	\$ 88,749
Bonds	28,809	2,017	-	30,826
Other	3,998	487	(95)	4,390
	<u>\$ 58,736</u>	<u>\$ 65,326</u>	<u>\$ (97)</u>	<u>\$ 123,965</u>
Add: Securities without readily determinable fair value				30,103
				<u>\$ 154,068</u>

7. Inventories

Inventories at March 31, 2026 and 2025 comprise the following:

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Finished goods	¥ 3,156	¥ 3,293	\$ 19,849
Work in process	918	838	5,774
Raw materials and supplies	1,627	1,770	10,233
	<u>¥ 5,701</u>	<u>¥ 5,901</u>	<u>\$ 35,856</u>

Revaluation loss on inventories of ¥13 million (U.S.\$84 thousand) and ¥10million based on the lower of cost or market method was deducted from the carrying amounts of inventories at March 31,2026 and 2025 , respectively.

8. Investments in Affiliates

Investments in affiliates as of March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Investments in securities (Stocks)	¥ 968	¥ 914	\$ 6,087

9. Property, Plant and Equipment

Accumulated reduction entry of property , plant and equipment purchased using funds from a government subsidy amounted to ¥187 million (U.S.\$1,178 thousand) and ¥187 million at March 31,2026 and 2025 , respectively.

10. Retirement and Pension Plans

The following tables set forth the changes in benefit obligation, and plan assets of the Company at March 31, 2026 and 2025 respectively:

(1) Changes in Benefit Obligations

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Beginning balance of benefit obligations	¥ 2,421	¥ 2,391	\$ 15,228
Service costs	144	142	906
Interest costs	26	26	163
Actuarial differences arising during the year	(390)	(20)	(2,453)
Retirement benefits paid	(73)	(123)	(457)
Past service costs	-	5	-
Ending balance of benefit obligations	¥ 2,129	¥ 2,421	\$ 13,387

(2) Changes in Pension Assets

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Beginning balance of pension assets	¥ 1,414	¥ 1,368	\$ 8,894
Expected return on pension assets	54	49	338
Actuarial differences arising during the year	(1)	(18)	(6)
Contributions made by the Company and consolidated subsidiary	68	68	427
Retirement benefits paid	(30)	(53)	(189)
Ending balance of pension assets	¥ 1,505	¥ 1,414	\$ 9,463

(3) Reconciliation of benefit obligations and pension assets with net defined benefit liability and asset on the Consolidated Balance Sheets

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Funded benefit obligations	¥ 2,129	¥ 2,421	\$ 13,387
Pension assets	(1,505)	(1,414)	(9,463)
Net amount of liability and asset on Consolidated Balance Sheets	¥ 624	¥ 1,007	\$ 3,924

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Net defined benefit liability	¥ 624	¥ 1,007	\$ 3,924
Net amount of liability and asset on Consolidated Balance Sheets	¥ 624	¥ 1,007	\$ 3,924

(4) Retirement Benefit Expenses

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Service costs	¥ 144	¥ 142	\$ 906
Interest costs	26	26	163
Expected return on pension assets	(54)	(49)	(338)
Amortization of actuarial differences	(7)	(4)	(41)
Amortization of past service cost	-	5	-
Retirement benefit expenses for defined benefit pension plans	<u>¥ 110</u>	<u>¥ 120</u>	<u>\$ 689</u>

**(5) Remeasurements of Defined Benefit Plans (Other Comprehensive Income)
Breakdown (before deduction of tax effects)**

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Actuarial differences, etc.	¥ 382	¥ (0)	\$ 2,403
Total	<u>¥ 382</u>	<u>¥ (0)</u>	<u>\$ 2,403</u>

**(6) Remeasurements of Defined Benefit Plans (Accumulated Other Comprehensive Income)
Breakdown (before deduction of tax effects)**

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Unrecognized actuarial differences, etc.	¥ (382)	¥ 0	\$ 2,403
Total	<u>¥ (382)</u>	<u>¥ 0</u>	<u>\$ 2,403</u>

(7) Pension Assets Breakdown

	2026	2025
Bonds	33.4%	18.6%
Stocks	24.5%	45.9%
General account	7.0%	6.8%
Other	35.1%	28.7%
Total	<u>100.0%</u>	<u>100.0%</u>

Rate of expected return on pension assets

The expected return on pension assets is determined based on the current and estimated future rates of return on various pension assets.

(8) Basic Assumptions for Calculating Benefit Obligations

	2026	2025
Discount rate	2.7%	1.0%
Expected rate of return on pension assets	3.8%	3.6%
Expected rate of salary increase	2.5%	2.5%

11. Supplemental Information for Consolidated Statements of Changes in Net Assets

(a) Type and number of outstanding shares

Thousand of shares				
Year ended March 31, 2026				
Types of shares	Balance at beginning of year	Increase in shares during the year	Decrease in shares during the year	Balance at year end
Issued stock:				
Common stock	4,513	-	-	4,513
Treasury stock:				
Common stock	1,611	0	-	1,612
Thousand of shares				
Year ended March 31, 2025				
Types of shares	Balance at beginning of year	Increase in shares during the year	Decrease in shares during the year	Balance at year end
Issued stock:				
Common stock	4,513	-	-	4,513
Treasury stock:				
Common stock	1,611	0	-	1,611

(b)Dividends**(1)Dividends paid to shareholders**

Year ended March 31,2025								
Date of approval	Resolution approved by	Type of shares	Amount		Amount per share		Cut-off date	Effective date
			(Million s of yen)	(Thousand of U.S.dollars)	(Yen)	(U.S.dollars)		
June 26, 2025	Annual general meeting of shareholders	Common stock	¥1,161	\$7,299	¥400	\$2.52	March 31, 2025	June 27, 2025

Year ended March 31,2024								
Date of approval	Resolution approved by	Type of shares	Amount		Amount per share		Cut-off date	Effective date
			(Million s of yen)	(Thousand of U.S.dollars)	(Yen)	(U.S.dollars)		
June 25, 2024	Annual general meeting of shareholders	Common stock	¥1,161	\$7,299	¥400	\$2.52	March 31, 2024	June 26, 2024

(2)Dividends with a cut-off date during the fiscal year but an effective date subsequent to the fiscal year

Year ended March 31,2026									
Date of approval	Resolution approved by	Type of shares	Source of dividends	Amount		Amount per share		Cut-off date	Effective date
				(Million s of yen)	(Thousand of U.S.dollars)	(Yen)	(U.S.dollars)		
June 25, 2026	Annual general meeting of shareholders	Common stock	Retained earnings	¥1,306	\$8,211	¥450	\$2.83	March 31, 2026	June 26, 2026

Year ended March 31,2025									
Date of approval	Resolution approved by	Type of shares	Source of dividends	Amount		Amount per share		Cut-off date	Effective date
				(Million s of yen)	(Thousand of U.S.dollars)	(Yen)	(U.S.dollars)		
June 26, 2025	Annual general meeting of shareholders	Common stock	Retained earnings	¥1,161	\$7,299	¥400	\$2.52	March 31, 2025	June 27, 2025

12. Selling, General and Administrative Expenses

Selling, general and administrative expenses for the years ended March 31, 2026 and 2025 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Packing and haulage expenses	¥ 947	¥ 1,120	\$ 5,955
Employees' salaries and Bonuses	704	707	4,430
Provision for bonuses	129	130	810
Retirement benefit expenses	32	31	200
Research and development expenses	776	798	4,878

13. Research and Development Expenses

Research and development expenditure charged to income was ¥776 million(U.S.\$4,878 thousand) and ¥776 million for the year ended March 31, 2026 and 2025, respectively.

14. Income Taxes

The Company is subject to several taxes based on income, which in the aggregate resulted in statutory tax rates of approximately 30.62% and 30.62% for the years ended March 31, 2026 and 2025.

Overseas subsidiary is subject to income taxes of the country in which it operates.

The effective rate for the two years ended March 31, 2026 and 2025 differs from the Company's statutory tax rate for the following reasons:

	2026	2025
Statutory tax rate	30.62	30.62
Permanently nondeductible expenses	0.07	0.08
Permanently nontaxable dividends received	(0.53)	(0.48)
Per capital levy of residents tax	0.10	0.12
Difference of tax rates of overseas subsidiary	(0.15)	(0.24)
Tax credit on research and development	(0.51)	(0.76)
Elimination of intercompany dividend income	(0.11)	(0.07)
Other	(0.36)	(0.54)
Effective tax rate	29.13	28.73

The significant components of deferred tax assets and deferred tax liabilities at March 31, 2026 and 2025 are presented below:

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Deferred tax assets:			
Net defined benefit liability	¥ 315	¥ 317	\$ 1,984
Net unrealized holding losses on securities	5	28	31
Accrued employee bonuses	108	102	681
Accrued enterprise tax payable	109	72	689
Loss on valuation of golf club membership	30	30	188
Depreciation	27	27	172
Loss on valuation of investment securities	10	32	65
Unrealized losses on inventories	8	6	53
Other	52	54	328
Gross deferred tax assets	666	668	4,189
Valuation allowance	-	-	-
Total deferred tax assets	666	668	4,189
Deferred tax liabilities:			
Net unrealized holding profits on securities	(3,294)	(2,090)	(20,719)
Fair value of consolidated subsidiaries	(166)	(168)	(1,042)
Other	(120)	-	(757)
Total deferred tax liabilities	(3,580)	(2,258)	(22,519)
Net deferred tax assets	7	7	45
Net deferred tax liabilities	(2,922)	(1,597)	(18,375)

15. Comprehensive Income

Reclassification adjustments and income tax effects attributable to other comprehensive income for the years ended March 31, 2026 and 2025 are as follows:

	Millions of yen		Thousands of U.S dollars
	2026	2025	2026
Valuation difference on available-for-sale securities:			
Gains (losses) arising during the year	¥ 4,528	¥ 359	\$ 28,481
Reclassification adjustments	(633)	(18)	(3,981)
Before income tax effects	3,895	340	24,500
Income tax effects	1,228	163	7,722
Total	2,668	177	16,777
Foreign currency translation adjustments:			
Adjustments arising during the year	66	180	413
Reclassification adjustments	-	-	-
Before income tax effects	66	180	413
Income tax effects	-	-	-
Total	66	180	413
Remeasurements of defined benefit plans:			
Adjustments arising during the year	389	4	2,444
Reclassification adjustments	(7)	(4)	(41)
Before income tax effects	382	(0)	2,403
Income tax effects	(120)	0	(758)
Total	262	(0)	1,646
Share of other comprehensive income of entities accounted for using equity method:			
Adjustments arising during the year	(10)	(1)	(62)
Reclassification adjustments	0	(1)	1
Total	(10)	(2)	(61)
Total other comprehensive income	¥ 2,985	¥ 354	\$ 18,775

16. Segment and Related Information

Matsumoto Yushi-Seiyaku Co., Ltd. For Japan segment, P.T. Matsumoto Yushi Indonesia for Asia segment, and Lissom Chemical Industry, Ltd. for Asia segment respectively, function as an independent business entity developing comprehensive strategies and promoting business operations.

The reported segments are individually accounted for, with separate financial data available, and are subject to periodical scrutiny by the Board of Directors for performance evaluation and resources assignment.

(1) Segment information

Segment information for the years ended March 31, 2026 and 2025 consisted of the following respectively:

Millions of yen			
2026			
	Japan	Asia	Total segments
Sales			
Anionic surfactants	¥ 3,573	¥ 12	¥ 3,584
Nonionic surfactants	22,840	428	23,268
Cationic and zwitterionic surfactants	874	1	875
High polymer and inorganic chemicals	11,475	1,866	13,341
Revenue from contracts with customers	38,762	2,307	41,069
Sales to external customers	38,762	2,307	41,069
Inter-segment	355	3	358
Total sales	¥ 39,117	¥ 2,310	¥ 41,427
Segment income	7,971	197	8,168
Total assets	100,804	4,344	105,148
Total liabilities	14,568	338	14,906
Other			
Depreciation	¥ 954	¥ 50	¥ 1,004
Capital expenditure	282	46	328

Millions of yen			
2025			
	Japan	Asia	Total segments
Sales			
Anionic surfactants	¥ 3,742	¥ 7	¥ 3,749
Nonionic surfactants	24,005	543	24,547
Cationic and zwitterionic surfactants	813	4	818
High polymer and inorganic chemicals	11,863	2,154	14,018
Revenue from contracts with customers	40,423	2,708	43,131
Sales to external customers	40,423	2,708	43,131
Inter-segment	461	12	474
Total sales	¥ 40,885	¥ 2,720	¥ 43,605
Segment income	9,014	291	9,305
Total assets	90,145	4,282	94,427
Total liabilities	13,338	441	13,779
Other			
Depreciation	¥ 1,001	¥ 47	¥ 1,048
Capital expenditure	540	42	582

Thousands of U.S.dollars			
2026			
	Japan	Asia	Total segments
Sales			
Anionic surfactants	\$ 22,472	\$ 75	\$ 22,547
Nonionic surfactants	143,648	2,692	146,340
Cationic and zwitterionic surfactants	5,497	6	5,503
High polymer and inorganic chemicals	72,170	11,736	83,906
Revenue from contracts with customers	243,786	14,509	258,295
Sales to external customers	243,786	14,509	258,295
Inter-segment	2,233	19	2,252
Total sales	\$ 246,019	\$ 14,528	\$ 260,547
Segment income	50,132	1,239	51,371
Total assets	633,987	27,321	661,308
Total liabilities	91,623	2,126	93,749
Other			
Depreciation	\$ 6,000	\$ 314	\$ 6,314
Capital expenditure	1,774	289	2,063

(2) Adjustments and eliminations

Reconciliation of sales	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Segment sales	¥ 41,427	¥ 43,605	\$ 260,548
Inter-segment transactions (elimination)	(358)	(474)	(2,252)
Group sales	¥ 41,069	¥ 43,131	\$ 258,296

Reconciliation of income	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Segment income	¥ 8,168	¥ 9,305	\$ 51,370
Adjustment of inventory	(7)	(23)	(45)
Group operating income	¥ 8,161	¥ 9,282	\$ 51,326

Reconciliation of assets	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Segment operating assets	¥ 105,148	¥ 94,427	\$ 661,309
Inter-segment transactions (elimination)	(136)	(99)	(853)
Adjustment of inventory	(18)	(18)	(114)
Other adjustments	923	880	5,802
Group assets	¥ 105,917	¥ 95,189	\$ 666,144

Reconciliation of liabilities	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Segment operating liabilities	¥ 14,906	¥ 13,779	\$ 93,749
Inter-segment transactions (elimination)	(136)	(99)	(853)
Other adjustments	(121)	142	(758)
Group liabilities	<u>¥ 14,650</u>	<u>¥ 13,822</u>	<u>\$ 92,137</u>

(3) Related information

Products and Services information	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Sales to external customers			
Surfactants	¥ 27,728	¥ 29,114	\$ 174,389
High polymer and inorganic chemicals	12,713	13,455	79,953
Other	629	563	3,954
Total	<u>¥ 41,069</u>	<u>¥ 43,131</u>	<u>\$ 258,296</u>

Geographic information	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Sales to external customers			
Japan	¥ 12,925	¥ 13,383	\$ 81,292
China	14,237	15,206	89,541
Asia	9,159	10,179	57,604
Other	4,748	4,363	29,859
Total	<u>¥ 41,069</u>	<u>¥ 43,131</u>	<u>\$ 258,296</u>

Main customers information	Millions of yen		Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Sales			
Marubeni Chemix Corporation	¥ 13,096	¥ 13,862	\$ 82,364
Nippon Quaker Chemical, Ltd.	4,509	4,707	28,356

17. Related Party Transactions

Principal transactions between the Company and its affiliate for the years ended March 31, 2026 and 2025 are summarized as follows:

	Millions of yen		Thousands of U.S.dollars
	2026	2025	2026
Sales(Nippon Quaker Chemical, Ltd.)	¥ 4,509	¥ 4,707	\$ 28,356
Purchase(Nippon Quaker Chemical, Ltd.)	1,778	2,047	11,182

18. Per Share Data

	yen		U.S.dollars
	2026	2025	2026
Net income per share	¥ 2,770.53	¥ 2,354.19	\$ 17.425
Net assets per share	¥ 30,757.44	¥ 27,368.74	\$ 193.443

The bases for calculating net income per share are as follows:

	Millions of yen		Thousands of U.S dollars
	2026	2025	2026
Profit attributable to owners of parent available for distribution to common shareholders	¥ 8,038	¥ 6,830	\$ 50,553
	Shares		
	2026	2025	
Weighted average number of shares for net income	2,901,220	2,901,333	

The bases for calculating net assets per share are as follows:

	Millions of yen		Thousands of U.S dollars
	2026	2025	2026
Total net assets	¥ 91,267	¥ 81,367	\$ 574,006
Amounts deducted from total net assets			
Noncontrolling interests	(2,035)	(1,979)	(12,801)
Net assets attributable to shares of common stock	89,232	73,358	561,205
	Shares		
	2026	2025	
Number of shares of common stock used in the calculation of net assets per share	2,901,140	2,901,260	

19. Asset Retirement Obligations

Asset retirement obligations for the year ended March 31, 2026 and 2025 consisted of the following respectively:

	Millions of yen	Millions of yen	Thousands of U.S. dollars(Note 1)
	2026	2025	2026
Balance at beginning of year	¥ 120	¥ 120	\$ 758
Interest cost	1	1	3
Balance at end of year	¥ 121	¥ 120	\$ 761

20. Subsidiaries

The Company's subsidiaries are as follows:

<u>Name</u>	<u>Ownership Interest</u>	<u>Country of Incorporation</u>
P.T.Matsumoto-Yushi Indonesia	65%	Indonesia
Lissom Chemical Industry, Ltd.	55%	Taiwan

21.Revenues from contracts with customers

(1)Disaggregation of revenue from customer contracts

The disaggregation of revenue from contracts with customers is as described in Notes16 (Segment and Related Information).

(2)Revenues from contracts with customers

Information for understanding revenues is provided in Note 2(i), “Summary of Significant Accounting Policies– Standards for Recognizing Revenues and Expenses”

(3)Revenue in the current and subsequent consolidated fiscal years

(a) Receivables from contracts with customers and contract liabilities

Contract liabilities relate mainly to advances received from customers from the obligation to transfer goods or products to customers.

They are included in “Other current liabilities” under current liabilities in the accompanying consolidated financial statements.

The contractual liability balances recorded at the beginning of the period are generally recognized as revenue within 1 year.

The balances of receivables from contracts with customers and contract liabilities were as follows.

	Millions of yen	Thousands of U.S. dollars(Note 1)
	2026	2026
Receivables from contracts with customers (opening balance)		
Notes and accounts receivable	¥ 9,188	\$ 57,784
Electronically recorded monetary claims	373	2,343
Total	¥ 9,561	\$ 60,127
Receivables from contracts with customers (closing balance)		
Notes and accounts receivable	¥ 9,699	\$ 60,999
Electronically recorded monetary claims	377	2,372
Total	¥ 10,076	\$ 63,371
Contract liabilities (opening balance)	¥ 36	\$ 224
Contract liabilities (closing balance)	¥ 88	\$ 554

	Millions of yen	Thousands of U.S. dollars(Note 1)
	2025	2025
Receivables from contracts with customers (opening balance)		
Notes and accounts receivable	¥ 9,435	\$ 59,338
Electronically recorded monetary claims	327	2,055
Total	¥ 9,762	\$ 61,393
Receivables from contracts with customers (closing balance)		
Notes and accounts receivable	¥ 9,188	\$ 57,784
Electronically recorded monetary claims	373	2,343
Total	¥ 9,561	\$ 60,127
Contract liabilities (opening balance)	¥ 105	\$ 660
Contract liabilities (closing balance)	¥ 36	\$ 224

(b)The transaction prices allocated to remaining performance obligations

The total amount of the transaction price allocated to the remaining performance obligation is 88 million yen, and expected to be recognized within 1 year.